

Power Cost Memorandum Fuel Cost Update

Date: **December 17, 2020**

Utility Name (Cert. No.) Chignik Lagoon Power Utility (658)	Utility File No. PC92-0518H	Date Filed: November 20, 2020
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PCE AMOUNT SUMMARY	Previously Approved PC92-0518G	Staff Recommended Amount(s) and Effective Date PC92-0518H
Class Rate	<u>Date Approved:</u> August 21, 2020	December 18, 2020
Residential	\$ 0.2355	\$ 0.2309
Community Facilities 0 to 500 kWh	\$ 0.2355	\$ 0.2309
Community Facilities 501 and above	\$ 0.2355	\$ 0.2309
<input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim	<input type="checkbox"/> Interim	<input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim

Prior Fuel Purchase Price: \$ 2.5395	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	New Fuel Purchase Price: \$ 2.4563	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous <u>0</u>	Updated <u>0</u>	

Weighted Average Fuel Price/Gal. Calculation					
	Gallons		Price		
On-hand before deliv.	15,481	X	2.5395	=	39,314.10
Delivered	13,297	X	2.3595	=	31,374.27
	<u>28,778</u>				<u>\$ 70,688.37</u>
					Weighted Average
					\$ 2.4563

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Signed: Brenda Cox
Brenda Cox Utility Financial Analyst

Commission decision regarding this recommendation :

	Date (if different from 12/17/20)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<u>RMP</u>		
McAlpine		<u>SM</u> SM		
Scott		<u>AGS</u> AGS		
Sullivan		<u>DS</u> DS		
Wilson		<u>JW</u> JW		

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CHIGNIK LAGOON POWER UTILITY

POWER COST EQUALIZATION CALCULATION
FOR TEST PERIOD ENDING DECEMBER 31, 2017
Fuel Cost Update

	PC92-0518G	PC92-0518H
	Prior Commission Approval	Utility Request Staff Recommended
A. Total kWh Generated	319,715	319,715
B. Total kWh Sold (Appendix 2)	479,514	479,514
C. Total Non-Fuel Costs (Appendix 2)	147,155	147,155
D. Non-Fuel Cost/kWh (C/B)	\$0.3069	\$0.3069
E. Total Fuel Costs (Appendix 2)	70,631	68,318
F. Fuel Costs/kWh (E/B)	\$0.1473	\$0.1425
G. Eligible Costs/kWh (D+F)	\$0.4542	\$0.4494
H. Eligible Cost/kWh (G) Less 20.63 cents/kWh	\$0.2479	\$0.2431
I. Lesser of (H) or 79.37 cents/kWh	\$0.2479	\$0.2431
J. Average Class Rates (Appendix 3)		
Residential	\$0.3687	\$0.3687
Small Community Facilities 0 to 500 kWh	\$0.4737	\$0.4737
Small Community Facilities 501 and above	\$0.2437	\$0.2437
K. Lesser of: (I) x 95% or (J)		
Residential	\$0.2355	\$0.2309
Small Community Facilities 0 to 500 kWh	\$0.2355	\$0.2309
Small Community Facilities 501 and above	\$0.2355	\$0.2309
L. Funding Level in Effect	100%	100%
Residential	\$0.2355	\$0.2309
Small Community Facilities 0 to 500 kWh	\$0.2355	\$0.2309
Small Community Facilities 501 and above	\$0.2355	\$0.2309

PC92-0518H
Appendix 1

CHIGNIK LAGOON POWER UTILITY

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR TEST PERIOD ENDING DECEMBER 31, 2017

Fuel Cost Update

		PC92-0518G	PC92-0518H	
		Prior Commission Approval	Per Utility	Staff Recommended
Non-Fuel Costs:				
A.	Personnel Costs	41,587	41,587	41,587
B.	Operating Expenses	11,817	11,817	11,817
C.	General & Administrative	71,327	71,327	71,327
D.	Depreciation	22,424	22,424	22,424
E.	Interest Expense	0	0	0
F.	Other (Describe)	0	0	0
G.	Total Non-Fuel Costs	\$147,155	\$147,155	\$147,155
Fuel Costs:				
H.	Gallons Consumed for Electric Generation	27,813	27,813	27,813
I.	Price of Fuel:(per gal) Weighted Average	\$2.5395	\$2.4563	\$2.4563
J.	Total Cost of Fuel	\$70,631	\$68,318	\$68,318
K.	kWh Sales	479,514	479,514	479,514
L.	kWh Generated with Diesel	319,715	319,715	319,715
	kWh Generated with Hydro	195,469	195,469	195,469
	Total kWh Generated	515,184	515,184	515,184
M.	kWh Station Service	15,586	15,586	15,586
N.	Efficiency \geq <u>Standard</u> (kWhs generated per gallons consumed)	11.50	11.50	11.50
O.	Line Loss \leq 12% (kWh generated -(kWh sales + Station Service))/kWh generated	3.90%	3.90%	3.90%

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Appendix 2

CHIGNIK LAGOON POWER UTILITY

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: **Residential**

Customer Charge: 0

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2063
0 to 500	0.5750	0.0000	0.5750	287.5000	0.5750	0.3687
to						
to						
to						
Max 500	Total					

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2063
0 to 500						
501 to						
to						
to						
Max 500	Total					

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2063
0 to 500						
to						
to						
to						
Max 500	Total					

CHIGNIK LAGOON POWER UTILITY

CALCULATION OF COMMUNITY FACILITY AVERAGE RATE PER kWh

Rate Schedule: Comm. Facilities				Customer Charge: 0
(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.2063
0 to 500	0.6800	0.0000	0.6800	0.4737
501 to ∞	0.4500		0.4500	0.2437

Rate Schedule:				Customer Charge: 0
(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.2063
0 to				
to				
to				

Rate Schedule:				
(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.2063
0 to				
to				
to				

Chignik Lagoon Power Utility

Fuel Purchases

	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory		15,481			
Last Approved Fuel Cost/Gal.			\$ 2.5395		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost ---				\$	39,314
Reporting Period Purchases	11/17/20	13,297	2.3595		31,374
Totals for Reporting Period Purchases on this sheet:		13,297			31,374
Delivered Weighted Average			\$2.3595		
Grand Totals (beginning inventory plus purchases) A		28,778		B \$	70,688

Grand Total Cost (B) divided by Grand Total Gallons (A) = 2.4563 Weighted Avg. Cost per gallon

Staff notes Chignik Lagoon included the State motor fuel tax - marine diesel of \$0.05 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

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Schedule BKC-1